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BUILDING AND SERVING ALBERTA

A POSITION PAPER ON EDUCATION IN ALBERTA

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Prepared by

The Education Committee
Alberta Chamber of Commerce

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INTRODUCTION

The Alberta Chamber of Commerce is grateful for the opportunity afforded by the Worth Commission to present a Brief on Education.

This brief was compiled by a special Education Committee of the Alberta Chamber of Commerce which represents one hundred and twenty community chambers throughout Alberta and includes in its membership men and women from all walks of life - farmers, businessmen and women, tradesmen and professionals. Throughout the brief where reference is made to the 'business community' or the 'Chamber of Commerce' it is this cross-section of society which is intended.

In order that the reader may quickly cover the areas of education that are under discussion, this introduction sets forth in summary form, the areas under review and the Chamber's position. Following the introduction are the proposed recommendations.

BUSINESS INVOLVEMENT

The business community in our society must play a more active role in education since this segment of the total social system provides the individual enterprise, production and commercial activity upon which other elements in the system, such as health care, education and other government sponsored services, depend for financial support.

It is important that we recognize the true nature of the distinction that is made between public and private resources which government uses in the education system. These resources are in fact 'individual financial resources' - the corporate entity being defined as a legally created artifical individual. All activity in our Canadian free enterprise system, as seen by the business community, is designed via the profit motive to transform human and natural resources into intellectual accomplishment and material value for the ultimate benefit of society.

When government through a process of taxation of the individual transforms 'private money' to 'public money' we must not lose sight of the fact that the financial resources are generated by our system of private, not public enterprise.

All groups in society, and not least of all the business community, must accept more responsibility for the cost-effectiveness of the education system that is being supported. In the future the Alberta Chamber of Commerce wishes to share responsibility for the planning and direction of the education system to a degree that is commensurate with its financial obligations in sustaining and developing it.

RISING COSTS

The Chamber of Commerce is concerned about the rapidly rising cost of education at all levels. Our concern does not, however, follow the line that costs must be reduced without justification. Rather, we seek to be more selective. There are, no doubt, areas in which education is

being handled in a most efficient manner. On the other hand, there are areas where more efficient use of the tax dollar can be made.

CAPITAL COSTS

Capital costs is one area where costs are advancing at an alarming rate. For instance, at the Post-Secondary level an annual increase of 25% per year is indicated between now and 1980. It is now mandatory that we seek ways to reduce this type of expenditure by not only scrutinizing initial capital costs but also the use of the physical plant once it has been erected.

The Chamber is convinced that a better job can be done in both areas - initial capital cost and utilization of the physical plant. Initial building costs, we believe, can be best handled by the system of tendering used by industry. Maximum use of the plant can be realized only if the ultimate use is planned into the building at the outset. The needs of the community, including education, should be carefully worked out so that the building can serve several purposes.

In this connection we envision, where warranted, the use of a building manager, a position entirely separate from the educators and school boards, to schedule the use of the buildings for maximum utilization. With proper planning of the facilities and good management it should be possible to realize some income from outside use to offset additional operating costs. In any case, the wider use of the building represents a saving in capital investment.

Further utilization of the capital investment will result from increasing school instruction time per year. The increased operating costs that will result will be offset, to some extent, or totally, by the saving in capital expenditures in avoiding or delaying the need for additional buildings.

OPERATING COSTS

In the area of operating costs the recent increase in the cost of education per pupil in the Elementary, Secondary and Post-Secondary levels is substantial.

From 1959–60 to 1970–71 there was a 147% increase in the per pupil cost at the Elementary and Secondary level. On the basis of a 10% gain per year per capita there could be a further rise of 159% over the 1970–71 figure by 1981.

Similarly at the Post-Secondary level, indications are that the cost per student could rise to $9,000 by 1980 or an increase of 250% in the next ten years.

The actual increases in operating costs over the last decade and the projected increases for the next ten years are of such magnitude that it is essential we take steps now to look at all the cost components involved and come up with some answers. Cost increases of this magnitude cannot be allowed to continue wtihout upsetting the many other worthwhile programs that the government is called on to develop and deliver.

There are many demands on our tax dollars. Education is only one of these. Education

cannot expect to continue on its present course of expansion without neglecting other important areas of social and economic needs - such as health and welfare, regional and economic disparities and environment control.

COST REDUCTION

The Chamber feels that several things can be done to reduce costs of operation so as to bring them in line with expenditures in other sectors of the economy.

The year round use of the school building together with full use of the plant for community functions should sharply reduce operation and maintenance costs on a use basis.

Employing teachers on a 12-month basis as is the case with employees in practically all other areas of our economy should result in a reduction in instructional salaries on a per student basis. Wider use of teaching assistants should also reduce costs on a per student basis.

Furthermore, policies covering tenure of office, sabbatical leave with pay, low tuition fees, financial assistance and grants to university students, 'moonlighting' by professors, etc., should all be reviewed with an eye to eliminating some of the practices and sharply curtailing others.

COST OF ADMINISTRATION

We are also concerned about the rising costs of administration. The Chamber feels that the administrators and the trustees are the people in the school system who should have been able to control, not only administration costs, but also the rapidly increasing costs of the whole education system.

COST STUDIES

In the whole area of cost - capital, operational and administrative - the Chamber believes the business community is in a position to offer some expertise in the area of 'cost consciousness' and 'cost effectiveness'. Literally millions of dollars can be saved, especially at the Post-Secondary level, by using a well thought out and diligently implemented scheme of systematic cost studies. A better education could well result from such efforts.

CURRICULUM

The matter of curriculum is another area of concern. Since costs, both capital and operational, are directly affected by the number of courses offered, it is important that curriculum planning be given top priority and that all segments of society be given proportional representation on curriculum planning committees. Several advantages will result if educators, businessmen, legislators (Government) and other segments of society meet to discuss their needs and determine how to use our education programs to achieve these needs.

In the last ten years there has been a tremendous increase in the number of courses offered.

This is especially true at the High School level. We are in agreement here with the position taken by the N-12 Education Task Force – "The need for more courses is undoubtedly less important than the need for a flexible and responsive curriculum".

There are several problems that develop if courses are not carefully evaluated before placing them on the curriculum or if courses that have become obsolete are not quickly removed from the curriculum.

Cost again is one of the major problems. Low student/teacher ratios and the high cost of equipment for certain courses result in extremely high per student costs in certain subjects - especially vocational subjects.

Another problem is the increasing number of graduates with skills for which society has very limited or no demand.

BUSINESS/EDUCATION COOPERATION

This financial interest in curriculum is an extremely pertinent reason for the business community to be involved. However, the business community wishes to participate in this part of the education process for other reasons as well.

The Chamber is anxious to work with educators to assist in countering a trend that indicates a lessening in understanding and appreciation for the Canadian free enterprise system. As the committee for Economic Development (U.S.A.) put it in a statement on the Social Responsibility of Business Corporations: "Enlightened self interest impels us to express our concern about the lack of understanding and thus the lack of rapport on the part of the Academic community vis a vis the free enterprise economic system". Courses should be developed so that our Canadian free enterprise system can be fairly presented by well informed teachers. The Chamber believes it can be of assistance in planning this.

There is concern too that education keep pace with the rapid change that is taking place today. Business men and enterpreneurs, through talents cultivated by the competitive free enterprise system, can assist educators to cope with the rapid change that education must adjust to.

There are other matters that the Chamber believes are equally important. The attitude and values of students and the role of the teacher in the education process are matters that should be discussed and re-evaluated. Certainly education should equip the student with something more than certain skills.

The Chamber believes that there should be a return to certain basics that seemed to work in the past. Personal initiative, self discipline, respect for authority, and a positive attitude to the many problems facing society today are not so evident amongst students as one would wish.

We feel that education should be an ongoing quest for a meangingful life and a meaningful role in society.

RECOMMENDATIONS

The following is a summary of the recommendations contained in this brief:

1. School buildings should be designed for use by many community organizations. A building manager should be employed by the community (municipality, county, etc.) to regulate the use of the facility to its reasonable maximum. (PAGE 12)

2. The school year should be modified to better utilize buildings and teachers' time. (PAGE 11)

3. A different approach should be taken to the design and construction of educational facilities, utilizing the knowledge and expertise available in the community. (PAGE 12)

4. The need for additional post-secondary facilities at this time is questionable. In this regard there is an urgent need for federal government participation in a study to establish a reliable means of relating job opportunities to number of graduates. (PAGE 14)

5. Costs must be brought under control so that education receives only its share of public funds when compared with all other areas of public concern. (PAGE 15)

6. Cost consciousness and cost effectiveness trends must be encouraged so that we will achieve the utmost in the effective use of our educational resources. (PAGE 16)

7. A year-round use of school buildings should be considered. (PAGE 18)

8. A strong effort should be made to ensure that teachers salaries are related to time spent in the classroom. (PAGE 19)

9. A detailed study of administrative procedures should be conducted to determine how the taxpayers dollar can be spent more efficiently. A reduction in the administrative function should be achieved. (PAGE 21)

10. Educational administrators should be selected on the basis of their administrative ability in order to improve the quality of administration in education. (PAGE 23)

11. Action must be taken to ensure that students are aware of the job requirements in their chosen occupation so that appropriate courses can be studied in preparation for a career. (PAGE 24)

12. The Canadian Free Enterprise System must be actively taught to ensure that our youth has a working knowledge of the economic system under which they must live and work. (PAGE 24)

13. A thorough review of courses taught must be conducted to remove obsolescence and inject relativity. Basic education must be emphasized to the exclusion of irrelevant subjects. (PAGE 26)

14. Tenure of office must be removed from teacher contracts. (PAGE 32)

15. Teachers should be paid under a merit rating plan which recognizes the accomplishments of the good and above average teacher. (PAGE 33)

16. "Moonlighting" by professors should be carefully controlled to ensure that such outside activity does not infringe on the professors main duties at the university. (PAGE 34)

17. Tuition fees at post-secondary institutions should be increased so that students bear a much larger share of the actual cost of their education. (PAGE 35)

18. School board finances should be placed under the control of local councils. (PAGE 37)

19. A careful appraisal of our financial assistance and grant system should be conducted to ensure that only those deserving of assistance receive it. (PAGE 36)

OBJECTIVES OF EDUCATION

The objectives of education are to endow the individual with sufficient knowledge, skills, cultural and human appreciation and acumen to become a useful member of society, in the interests of himself and his fellow man. To accomplish these objectives the educational process must foster the personal attributes of self-reliance and independence of thought and action.

The development of constructive attitudes will engender respect for and understanding of:

(1) Our existing economic system

(2) Our country

(3) Civil responsibility

In recognizing and attempting to reach its objectives education will help prepare the individual to cope with change in society as it evolves naturally.

COST OF EDUCATION

PREAMBLE

One of the principal reasons for the Alberta Chamber of Commerce deciding to prepare a submission in respect of education, is the realization that the cost of education is becoming completely out of hand. We have 'a tiger by the tail' and we have to do something.

There is growing dissatisfaction on the part of the taxpayer with the rising cost of education. We are concerned that an 'over reaction' by the taxpayer may prove detrimental to the education process. However, we do believe the taxpayer should be aware of what is happening in the area of education costs and that he attempts to do something about them.

In an address to the Alberta Chamber of Commerce in Banff on June 1, 1971, the Hon. Mr. Robert Clark, former Minister of Education, said: "If educational costs continue to increase at their present rate, education will consume the TOTAL GROSS NATIONAL PRODUCT BY 1994".

It is fairly obvious that educational costs could exceed our ability to pay long before 1994, because we must allocate funds to many other areas of public concern. Education will have to be allotted its proper place on the list of priorities for public expenditures.

At present, education costs consume 60 - 70% of our municipal property taxes and 39% of our provincial budget. Throughout Canada 20% of <u>all</u> taxes collected from all sources by all levels of government are spent on Education.

We demonstrate some of the trends in educational spending with the following figures derived from the Department of Education, the University of Alberta and the Department of Municipal Affairs.

TRENDS IN EDUCATIONAL SPENDING

		ENROLMENT			TOTAL COSTS (000's)			PER PUPIL COSTS			AREA POPULATION (1)		
		1959-60	1969-70	% Inc.	1959-60	1969-70	% Inc.	1959-60	1969-70	% Inc.	1959	1969	% Inc.
Alberta	(2)	277,920	413,719	49%	$102,538	$336,895	228%	$ 368	$814	121%	1,222,312	1,529,231	25%
University of Alberta (3)	(4)	5,337	17,354	225%	8,616	53,525	521%	1,614	3,084	91%	N/A	N/A	N/A
N.A.I.T.	(4)	N/A	15,376	N/A	N/A	7,873	N/A	N/A	512	N/A	N/A	N/A	NA/
S.A.I.T.	(4)	2,300	12,695	452%	1,380	6,982	406%	600	550	(-8%)	N/A	N/A	N/A
Edmonton	(2)	53,784	104,820	95%	19,160	86,193	350%	356	822	131%	269,314	410,105	52%
Lethbridge	(2)	7,567	9,687	28%	2,512	7,487	198%	332	773	133%	32,782	38,749	18%
Camrose	(2)	1,413	2,376	68%	403	1,756	336%	285	739	159%	6,042	8,862	47%

(1) Estimated
(2) Includes Public and Separate School Systems
(3) Enrolment Full Time Students Only
(4) Operating Costs Only

CAPITAL COSTS

Educational Facilities

Capital cost represents a major cost of education. This is reflected in annual capital cost expenditures and interest charges on debenture debt.

For the most part, educational facilities are housed in single purpose buildings used for a relatively few hours during the year.

The Chamber has reviewed school construction practises and standards as well as research studies on school construction costs. It finds little in the recommendations of the studies that will effectively reduce and control construction costs.

We are particularly disappointed that the study of school construction costs did not determine what factors contributed to some schools being the lowest cost facilities. We are disappointed that there appears to have been no effective attempt to bring University building costs in line with commercial and industrial construction costs.

There was no evidence of any attempt to examine all of the cost contributing factors including the operating cost and the effects of such organizations as the School Buildings Branch, School Board Building Departments, research departments and a variety of other activities; the operations of which contribute to capital costs to say nothing of the influences of these groups in increasing costs through unnecessary, impractical and costly requirements. No mention was made of prolonged construction schedules for which interim finance is costly, or of the cost of large land areas.

As with so many studies and research projects, the terms of reference appear to have limited the study to such an extent that one must come to the conclusion that it is another study to support present practises with limited evaluation of these practises.

The Chamber found a disturbing reluctance on the part of educators to fully utilize facilities on a year round basis. We question whether this is a result of a lack of concern for greater use of facilities, or a desire to maintain long holiday periods and short working days. It is interesting to note that few if any studies have come out in direct, enthusiastic support of year-round use of educational facilities, and most of these studies have been performed by members of the educational profession.

A New Concept

In many of the smaller centres, school buildings are used for a variety of community activities, in addition to their educational use. In the larger centres educationalists and school boards have been extremely reluctant to make school facilities available for other community activities. This reluctance may in part be due to the facilities not being suitable for any use other than the one for which they were specifically designed.

The Chamber, therefore, recommends the adoption of a new concept in the provision and

management of facilities whereby the physical plant would be in the charge of a facilities manager responsible directly to the community in which the facility is located.

Under this concept, each community would appoint a Community Facilities Manager who would be responsible to that community for the management of the community facility giving priority, in specified times, to educational uses. The Community Facilities Manager would have the responsibility of maintaining the plant and developing its utilization so as to generate income for operating and capital costs.

In smaller communities this management function could be provided by a town, county, or municipal official on a part time basis.

In fact, this is to quite an extent now being done.

In the larger centres, the Community Facilities Manager would be independent of School Board and educators and responsible directly to the community in which the facility is located.

Such a concept would result in multi-purpose facilities receiving much fuller utilization than is now possible with school facilities. Because of the community's direct relationship with the facilities manager, design and operation of the facilities would reflect community needs and interests.

Design and Construction

Procedures presently followed in the design and construction of educational facilities provide few incentives for cost efficiency, economy or innovation. Competition exists only at the construction tendering level and a number of tendering practices tend to reduce competition. There is little incentive to achieve short construction schedules. In fact, single storey schools often require a longer construction schedule than is required for 10 to 15 storey commercial buildings.

Involvement of educators in the design and construction phase has resulted in costly and impractical standards while on the other hand design, has not in many cases, adequately satisfied the requirements of the educators. Research studies refer to such items as poor acoustics, inappropriate materials, and non-standard components, to mention only a few of the inadequacies and cost contributing factors.

The Chamber, therefore recommends a procedure whereby incentives for cost efficiency, economy and innovation would be provided. It believes that the following procedures based on industrial practice would provide these incentives:

(1) The requirements of the facilities should be carefully stated in written form, taking into account the objectives of multiple use, flexibility and the needs of the users. Such requirements should be written by facilities managers assisted by users and experts in the fields of establishing requirements. Full advantage should be taken of standardization. For example, the requirements for an industrial arts teaching facility for say, 100 persons, do not change appreciably from one community to the next and therefore, such requirements should be standardized.

(2) Detailed and adequate standards for materials, equipment, design and performance should be established by competent engineering and architectural personnel, to meet the foregoing requirements.

(3) Specific data relating to the particular facility should be accurately set up. This data should include such matters as foundation conditions, site services and other similar specific requirements of a site.

(4) Selected design - construction organizations should be asked to submit proposals for the provision of the facilities at a fixed cost.

(5) The proposals should be evaluated and a contract should be awarded to the organization providing the best overall proposal.

This procedure will ensure competition at all levels, including concept development, design, construction and financing. It will also ensure accurate budgets, encourage innovation and will force users to clearly define their requirements in advance.

The Chamber recommends that a similar procedure be applied with respect to provision of post-secondary educational facilities, and to renovation or re-building of existing educational facilities.

Need for Additional Post-Secondary Facilities?

The recent large surplus of graduates for specific job positions makes it urgently necessary to review any proposed additional post-secondary facilities before further construction is contemplated. This suggests that our existing facilities are preparing more young people to fill roles in society than society can absorb.

While the situation varies from institution to institution there are several instances where there does not appear to be adequate correlation between the number of graduates and the number of jobs available. Our concern relates to all levels of post-secondary education - University, NAIT, SAIT, Agricultural Colleges, Community Colleges, etc.

We suggest that a means be found for measuring the needs of society so that such needs can be translated back to our educational system with a view to guiding our students into a career where their talents can be most readily utilized. Because job opportunities and educational facilities are country-wide there appears to be a great need for our federal government to become involved in a study to establish priorities and encourage coordination of educational activities across the country.

OPERATING COSTS

Elementary and Secondary Education

Our concern for operating costs can be observed in the following table:

Per Pupil Expenditure and Percentage Increase over the Previous Year for all Schools

Year	Per Pupil Expenditure	% Increase Over Previous Year
1959-60	$ 325.00	7.81
60-61	348.24	7.15
61-62	369.32	6.05
62-63	381.28	3.24
63-64	395.98	3.86
64-65	417.60	5.46
65-66	449.14	7.55
66-67	503.78	12.17
67-68	571.68	13.48
68-69	652.05	14.06
69-70	726.37	11.40
70-71	805.57	10.90

Reference: Department of Education Annual Report

From the above table it can be seen that there has been a very dramatic increase in the cost of education on a per pupil basis. From 1959-60 to 1970-71, there has been a 147% increase in the per pupil cost of education.

In a position paper prepared for the Commission on Educational Planning by E.J. Hanson and P.J. Atherton, entitled Some Economic and Social Effects of Education p. 37, it was stated that the average annual increase in the expenditure on education in Canada would be a 'little more than 10 per cent per year on a per capita basis'. The report stated that 'for Alberta, with expenditures on education approaching $700 million in 1970, the picture is much the same'.

This then indicates that over the period 1970-71 to 1980-81, the per student cost in education will rise a further 159.3% over the 1970 figure of $805.57, to approximately $2,070 per student, based on the 1970-71 figures of $805.57 per student.

This represents the crux of our concern in respect of the costs of education. In the coming years we observe an increasing demand for tax dollars for the many requirements of society, not the least of which will be health and welfare, environmental control and regional economic disparties. We do not believe the educational system can expect to fulfill the expansion which its rising costs appear to reflect. We do not believe the provincial economy can afford that rate of growth in this or any other sector.

Post-Secondary Institutions

It is our purpose to encourage urgent attention to the basic question of achieving more efficient use of resources in post-secondary education. While our concern is with all post-secondary institutions, we use universities as an illustration. The fact that university operating and capital spending have been growing at twice the rate of degrees granted raises the question as to whether resources are being used as effectively as they might be.

To put the problem of financing education in perspective, it is only necessary to reflect upon available statistical information. Using Dr. Wisenthal's paper and the Economic Council of Canada's 7th Annual Report, some interesting observations can be made:

Education costs represent about 8.5% of Gross National Product. In 1969 the cost per university student approximated $3,600.00 and it has been predicted that by 1980 it could rise to $9,000,00, but certainly very significantly and much faster than G.N.P. The trend of the past 20 years, if continued, would most definitely equal G.N.P. at some date in the future - calculated on the present trend to be the Year 1994.

Table of Total University Costs in Canada

	Total Enrolment	Total Costs
1961	128,800	$ 211,330,000
1965	205,900	432,332,000
1969	298,400	1,073,000,000

Source M. Wisenthal, Dominion Bureau of Statistics

Table of Operating Costs for the University of Alberta

	Total Enrolment	Operating Costs
1959-60	9,268	$ 8,606,531
1965-66	16,093	22,038,417
1969-70	24,793	53,525,912

Capital Investment in Universities has increased at a rate somewhat proportionate to operating expenditures.

Recommendations:

The recommendations derived from our consideration of this matter are quite general, but we believe they are pertinent and if followed could lead to significant cost reduction as well as improvement in educational output.

In industry, attention is constantly focused on ways to control and reduce costs, eliminate waste and inefficiency and maximize profits. There are a variety of programs designed by individual enterprises to accomplish these objectives, but all have certain common features. All, for example,

have the educational objective of instilling in personnel a consciousness which permits recognition of wasteful procedures and individual initiative in reducing costs.

The organizational format often utilized for cost control studies is a temporary one. This has its own beneficial effects in that such a transient organization requires people to migrate from department to department and from task to task. By utilizing this type of organization, traditional bureaucratic lines of authority are transcended and the stage set for fresh perspectives. A side effect, but one which is always of paramount importance in such project team or ad hoc endeavour, is that better understanding between departments and better coordination of activities inevitably results.

In the university setting, it would seem appropriate to have students participate in such cost control study groups. If recent trends are reversed, and in the future students made responsible for a larger portion of costs through higher fees, then they would have a vested interest in any effort to bring costs under more stringent control.

Cost consciousness is a state of mind which should be engendered in all concerned with education - professors, administrators and students alike. The project team or task force could be used as suits the situation. The Chamber believes that a well thought out and diligently implemented scheme of systematic cost studies would literally save millions of dollars and produce better education.

There is a subtle step from the type of cost control activity just described to a higher level of analysis which is referred to as cost-effectiveness. Growing public resentment over the cost of education has led Provincial Governments to intensify budget procedures. However, concentration on a budget consciousness can even be inimical to cost effectiveness. Line-item budgeting may reduce expenses but it will not likely find a better way to teach a subject.

Cost effectiveness inevitable puts issues of resource allocation in a competitive light. In any organization, careful analysis will show that one way of doing things is better than another. Ultimately the competition which must be faced and resolved is between different models of universities, different kinds of classrooms, and various learning experiences.

The kind of thinking about cost effectiveness which we urge would therefore be focused on particular learning situations. It would concern itself most with how the goals of a particular course or curriculum could most efficiently be achieved for particular kinds of students. So far, we fear most of the thinking about cost effectiveness has concerned itself with problems once or twice removed from the thinking of learning effectiveness.

We are also concerned about the widespread resistance to 'cost effectiveness' thinking in higher education because it seems to be so profoundly anti-intellectual to many professors. Faculty members appear to regard such thinking of low priority. Whereas we regard Faculties as being expensive resources and cost-effectiveness thinking about different ways of using their time does them honor.

We must guard against a widespread tendency to regard the problem of efficiency in higher education as trivial. It is not only a financial problem but an intellectual one. Questions about efficiency lead to a host of questions about teaching and learning and to the ultimate questions about

the nature and purpose of higher education. These are too important to the colleges and universities - and too intellectually challenging - to be lightly dismissed as irrelevant.

Physical Plant - Operation and Maintenance

Year	Total Expenditures	Percent of Cost	Cost per Student
1959-1960	$11,995,837	13.3%	$43.10
1969-1970	35,512,799	11.8	85.88

Reference: Annual Reports - Department of Education

The above table shows that there was a 99% increase per student for physical plant operation and maintenance in this 10-year period.

A year-round use of the school buildings should be considered. This together with full use of the physical plant for community functions would reduce overall operation and maintenance costs in the community.

Possibly future physical plants should be complex as on a campus-like site such as that suggested by the N-12 Task Force Report - page 52. We believe the Educational Park Concept has merit and could possibly be part of the solution in the area of Physical Plants as well as in other areas of education costs, such as larger enrolments on one site thus making it economical to offer courses which are now offered at great cost by several schools to very small classes.

Sharing of high cost facilities by neighboring schools and district, community use and elimination of duplicated facilities and administration costs should produce a more efficient and effective educational plant.

We believe the size of the school in the future is not as important as the way grouping is carried on within it.

Instructional Salaries - Elementary and Secondary

According to the Annual Reports of the Department of Education, Instructional Salaries in the Elementary and Secondary Schools in Alberta increased from $49,127,753 to $ 179,285,690 in the 10-year period ended June 1970. This is the largest single item of cost in the educational system. During the period mentioned, Instructional Salaries increased its share of the total budget from 54.4% to 59.7%. The related cost per student rose from $176.80 to $433.35 - an increase of 145%.

Instructional Salaries are the most difficult cost area to bring under control for the following reasons:

(a) The practice of paying an annual salary comparable to other employment standards for a shorter period of actual work has disproportionately escalated such costs.

(b) Salaries are negotiated by a most powerful employee organization in the Province of Alberta. So far, no school board or group of school boards has been able to keep the ever increasing demands within reason.

(c) Strike action not only removes the services of the teaching profession, but also creates profound social problems within the homes which have school-aged children. When schools are closed for any reason, this interferes with the home routine, so any effort to hold out against the teachers receives little public support. In fact, a very emotional case can be made about the tragic loss of education to the innocent children, so school trustees have little choice but to accede to the union's demands.

(d) Having obtained such special privileges, teachers are not about to part with any of them. Any suggestion that they provide a year of service for a year of remuneration is beyond their consideration. Even the suggestion that they hold their conventions at times when the schools are closed (during Christmas, Easter or Summer holidays) is considered an encroachment on their private time.

(e) Furthermore, the creeping trend toward smaller and smaller classes adds very considerably to the cost. During the ten-year period from 1960 to 1970 teacher-student ratios decreased from 1:23.6 to 1:19.7. This decrease is much more pronounced if one considers high schools by themselves. In special education classes the 1968-69 teacher-student ratios were about 1:9 and in technical and vocational courses about 1:14. (N-12 Education Task Force, pp. 57-58) It should be pointed out that the small teacher-student ratios are not necessarily the teacher's choice, but often the number of students available for certain subjects in some schools simply is not sufficient to provide classes of a reasonable size.

(f) Another factor which increases Instruction Salary costs is the reduction in the number of hours of instruction per teacher. This arrangement may have come about as part of the general trend to shorter working days or as a result of more specialization within the teaching profession. More and more teachers are now trained to teach in a narrower field. This could result in smaller teaching loads in schools which have limited enrolments, thus making it difficult or impossible to give a teacher a full day's teaching load within his specialty.

Proposals:

a. Eliminate sabbatical leave with pay.

b. Decree that any and all teachers' conventions be held during periods when schools are normally closed.

c. Re-arrange the school year so that the teaching year corresponds more closely with working year of other professions and trades.

d. Make better use of the technical achievements of our era. Their use would assist in establishing greater pupil/teacher ratios instead of the present reverse trend.

e. Curtail or eliminate certain Academic and Vocational subjects which cannot be offered on an economic basis, that is, where a combination of low enrolment and high costs results in a prohibitive cost per student.

f. Bargaining for salaries should be on a provincial rather than a regional basis.

Administration in Education

The area of administration in education is of prime concern to the business community of Alberta. We believe that in this area experienced business administrators can offer a great deal of expertise and assistance.

We are very concerned about the cost of Administration in the school systems of Alberta. The following tables illustrate the reason for our concern.

Actual Administration Cost for City Public School Districts

	1959	1969	% Increase
Edmonton	$ 420,867	$ 2,879.123	586%
Calgary	259,673	1,782,168	609%
Lethbridge	22,502	65,086	190%
Medicine Hat	15,577	67,398	308%
Red Deer	13,353	59,661	289%
Wetaskiwin	3,441	25,387	636%
Camrose	6,440	23,514	264%
Grande Prairie	13,170	37,190	187%

Reference: page 173, Table No. 12(b) 55th Annual Report, and page 17, 65th Annual Report Supplement Alberta Department of Education.

Actual Enrolment, City Public School Systems

	1959	1969	% Increase
Edmonton	41,724	74,122	77%
Calgary	37,738	76,630	103%
Lethbridge	6,116	7,495	22%
Medicine Hat	4,249	5,443	28%
Red Deer	2,701	6,180	127%
Wetaskiwin	1,156	1,490	29%
Camrose	1,101	1,866	69%
Grande Prairie	1,554	2,863	85%

Reference: page 226, Table V, 55th Annual Report, and page 151, Table R, 65th Annual Report, Alberta Department of Education

From the preceding two tables, we can derive the annual per pupil Administration Cost:

	1959	1969	% Increase
Edmonton	$ 10.07	$38.90	286%
Calgary	6,87	23.90	248%
Lethbridge	3.68	8.68	136%
Medicine Hat	3,67	12.39	238%
Red Deer	4.94	9.66	96%
Wetaskiwin	2.98	17.03	471%
Camrose	5.86	13.13	124%
Grande Prairie	8.47	13.23	56%

Certain observations can be made concerning the preceding figures.

(a) While we are aware that there may be some variations in the accounting systems used by the various school systems, it is still difficult to explain the vast differences in the per pupil costs for administration. In 1969-70, the Edmonton Public School System's Administration charges were, on a per pupil basis, 63% higher than the Calgary School System, and 346% higher than the Lethbridge School System.

(b) When there is a discrepancy of this magnitude as illustrated in these tables, we believe the administrations should have to explain and account for the differences.

(c) It is obvious from these figures there are no economics arising in administration from larger school systems.

(d) The increase in administration charges within each school system is a matter that requires some explanation. To accomplish this it is imperative that various school systems agree to some standards of input and accounting practices. We would anticipate that the system the Department of Education is presently developing will accomplish this, and all school systems should be required to adopt the system.

(e) Comparative figures are required if administrators and the public hope to constructively evaluate their local systems.

The responsibility for the control of the rising cost of education would seem to lie with three groups; the administrators who should be responsible for daily operation of the school systems - as set out in the annual budget, the school trustees who should set guidelines, policy, and budgets for the school operation and who accept responsibility for the actions of the administrators, and the electorate who historically have given the authority to the trustees which has enabled them to control the education process on behalf of the public.

It appears from the rising costs of education, and the lack of explanation for these costs, that these groups have dealt too lightly with their responsibility.

We would recommend more detailed study of the area of administration procedures, and accounting methods be undertaken, to determine how more efficient use of the tax payers' dollar may be brought about. We would especially like to question the continued expansion of the Administrative function.

Administrators - Qualifications

In reviewing the performance to date of the administrative function of education, we believe too much authority has been assigned to the individual school administrators without a corresponding degree of responsibility for achieving value, and accounting to the public for their decisions.

The practice of teachers developing into administrators, either by additional study or purely from promotion requires careful evaluation. Firstly, because of the questionable effectiveness that appears in the comparative figures used earlier, and secondly, the practice by many institutions outside the field of education and that followed by many corporations who select administrators on the basis of their qualifications to administer.

The investment in Alberta for education is a major one, and we believe it warrants the benefits of good management. Administration is a specialized field and should be recognized as such.

CURRICULUM

Needs of Society

We are concerned that the graduating student is often ill-prepared for employment. Students lack communicative skills. Where there are specific skills for particular sectors of employment, the student's training often lacks coordination with actual job situations, and most significantly the student lacks an understanding of the Canadian free enterprise system, the one in which he will be expected to succeed.

It is vital to have courses taught within the educational system which reflect the changing needs of society. To accomplish this, communication must be developed between the various sectors of business, government and education, sufficiently to develop courses which effectively relate to today's needs.

As a starting point, we would suggest a review of the present course structures in conjunction with the segments of society which would most likely use the skills presented.

We are distressed by the number of graduates with skills for which society has very limited demands. Students are faced with a very difficult situation when they find that their education has left them prepared for jobs which do not exist. For instance, there have been several comments made about this problem by the nursing profession and the teaching profession. The answer does not lie in reducing the patient-nurse ratio or the student-teacher ratio, but rather in having the educators and students aware of the employment demands in their particular field. We believe that an awareness of the possibilities for employment will become a major factor in people selecting the area in which to pursue their education. We do not recommend restricting enrolment – this is still a matter for the student to decide. The student should understand what his employment chances are, based on his skills and the demand within society for those skills.

The Alberta Chamber supports the Canadian free enterprise philosophy fully aware that it is an economic system with strengths and weaknesses. The concern expressed by our members throughout the province is twofold. Firstly, as the student will one day be expected to live within society, he requires a working knowledge and an appreciation of the system. Secondly, the Canadian free enterprise philosophy should receive at least equal classroom time with other major economic philosophies.

This working knowledge and appreciation for the Canadian free enterprise system should be developed from the elementary grades through to and including post-secondary. The areas of study would include the banking system, government monetary controls, taxation, personal financing and budgeting, and the philosophy of profit-oriented business.

Equal time and emphasis in classroom presentation of the various economic philosophies may appear as an overstatement of the obvious, however, we have uncovered a very significant degree of concern that what is happening in some classrooms is an exposure to other economic philosophies by people either incompletely informed or wanting to indoctrinate the young to another system to the detriment of our own.

The Chambers of Commerce throughout this province are prepared to assist by working with our educators in developing meaningful course material in the areas of our economic system.

Curriculum

The following statement is contained in the N-12 Education Task Force report, page 5: "The need for more courses is undoubtedly less important than the need for a flexible and responsive curriculum". We concur in this view.

From 1958 to 1968 the increase in the number of subjects offered to students nearly doubled, particularly at the secondary level. This is the point at which costs really originate since an increase in the number of subjects offered attracts increased costs from every area of the education field – more teachers, more equipment, more buildings, smaller classes, more centralization, more pupil conveyance costs, etc.

The following analysis is derived from the information provided in the Annual Report - Department of Education / 70 - Tables "K" and "L" – High School Enrolment by subjects.

	Academic Subjects	Vocational Subjects	Totals
1) Total enrolments	575,731	35,063	610,794
2) Percent of total enrolments	94.2%	5.8%	100.0%
3) Enrolment in top 25 subjects	393,479	30,950	424,429
4) Percent in top 25 subjects	68.3%	88.3%	69.5%
5) Number of subjects offered	170	114	284
6) Percent of total subjects	60.0%	40.0%	100.0%
7) Percent that top 25 subjects are of total subjects offered	14.7%	21.9%	17.6%

Observations:

1) 69.5% of the total High School enrolment in 1969-70 used only 17.6% of the 284 subjects offered. Conversely, 30.5% of the total enrolment required 82.4% of the 284 courses offered.

2) Only 5.8% of the total enrolment was in Vocational subjects which in turn represented 40.0% of the total subjects offered in the High Schools 1969-70.

3) 5.8% of the High School enrolment in 1969-70 was in Vocational Subjects and 88.3% of these Vocational enrolments were accommodated in 25 of the 114 subjects offered. Conversely,

11.7% of the Vocational Enrolments required the other 89 Vocational subjects which were offered.

In 1969-70 there were 85,186 students in High School (Grades 10 to 12). This represents 20.6% of the total students in the Elementary and Secondary School system. According to Dr. Hanson the 1966 ratio of High School teacher salaries to Elementary was 2.4:1 per student – (Monograph 16 - p.4).

Using this ratio for expenses across the board we come up with a per student cost of $1,354 for the High School and $564 for the Elementary grades. On this basis, 20.6% of the students in the Elementary and Secondary Schools in Alberta in 1969-70 accounted for approximately 40.0% of the total expenditures.

Carrying this analysis a bit further we find that the 5.8% enroled in the High School Vocational subjects accounted for 16.0% of the total expenditures in the Elementary and Secondary grades in 1969-70. This figure is likely on the low side for at least two reasons:

1) The 2.4 ratio determined by Dr. Hanson for 1966 is possibly higher now, and

2) The elaborate equipment needed for many of the Vocational subjects would make the cost per student much higher than the average cost of $1,354 per student for students enroled in a large number of academic subjects.

There is reason to believe that the present broad curriculum has tended to confuse the student with the result that his learning has been fragmented and he attains the number of credits required for a high school diploma without having acquired the fund of basic knowledge which he needs to meet the flexibility required by today's and the future's labour force.

Retention of students is not a desirable goal, per se, unless by retaining them we produce a superior person to take his or her place in society when the time comes. Surely, quality of education cannot be assumed simply because there is a higher student retention now than there was a few years ago.

While education should aim to provide each individual with the opportunity to develop his maximum potential, nevertheless, the individual must always be considered a part of the society in which he exists. Therefore, the individual cannot be educated at public expense without some reference to the needs of that society.

Recommendations

1) Reduce the number of subjects offered, especially at the Secondary level.

2) Do not offer optional subjects in schools which cannot provide enough students to warrant the expense of doing so.

3) Continue to direct the student who is going the non-academic route into the technical and vocational field as early as feasible. Provide the facilities for educating this type of student in

technical schools such as NAIT and SAIT and/or through a system of apprenticeship.

4) Use more non-professional assistants for tasks not requiring a professional, and where more teaching aids result in greater cost effectiveness.

5) Anticipate obsolescence in the educational system and weed out quickly courses which no longer serve a real need for a reasonable number of students.

6) Provide in the curriculum, core subjects which will develop the student's ability to acquire further knowledge, to acquire a fund of basic knowledge and to learn reading, writing and arithmetic which are considered basic to the first two points stated.

7) We believe expensive instructional aids and equipment should be justified, before purchase, particularly at the vocational and post-secondary levels.

GENERAL

Attitudes and Values

The attitudes and values of our young people are shaped and formed in many ways. Basically such training begins in the home. On a less formal basis it continues outside the home in society generally. However, one of the influences which has a significant impact is our schools.

Teachers spend many hours in front of their pupils. Because young people (particularly in the lower grades) are impressionable they will listen closely to teachers and believe what they are taught. They also observe the teachers actions both in and out of school and because of their high esteem for teachers often think that whatever a teacher does is right. Because of this strong influence, every teacher, at every level of education, shares a responsibility for the constructive development of our students.

We think this reflects the need for the teacher to adopt the role of a leader, particularly in the classroom. The words and actions of the teacher should be designed to create proper impressions in keeping with the value system of our society.

We are not suggesting that most teachers are anything but circumspect in their conduct. Rather, we think most teachers are mature, responsible people with a great fondness for young people, otherwise they would not be teaching. However, because we attach such great importance to the role of the teacher in the development of our young people we wish to emphasize these leadership qualities which must always be nurtured and displayed to their best advantage.

Productivity

This is a subject in which educators and the business community have some degree of difficulty in arriving at suitable interpretations and even reasonable rapport during discussion. Many educators believe that productivity means the grinding of humans into a machine geared only for maximum production. In addition many educators believe that businessmen lack any feeling for human needs and tend to treat students as mere impersonal products of a machine rather than as human beings. So long as this misunderstanding exists there is little hope of suitable dialogue on the topic. However, the subject is of special importance and is one of the keys to the whole situation facing education finance and the quality of the graduating student. Therefore considerable emphasis is being placed on the matter in this report.

It is therefore necessary that educators become more knowledgeable in respect to the broad subject of productivity and that the whole educational process become more attuned to this approach.

The costs of education are rising alarmingly disproportionate to the student enrolment and are now on a trend which will create serious problems for all levels of government and all taxpayers.

It is recognized that education has not arrived at any standards for measuring productivity and that this factor is one of the most important to be determined.

There are many components involved in increasing productivity and they include:

- Salaries by merit instead of category and seniority
- Greater use of technical achievements
- New methods of teaching to increase numbers of pupils per teacher (instead of the reverse present philosophy)
- The effect of consulting and extracurricular professional activities of teachers and professors on educational productivity, more commonly termed 'moonlighting'
- Tenure of office and its effect on productivity
- Motivation of teachers and students

The degrees of appreciation of and consideration to the subject of productivity will determine the success of this important phase of the administration of education. In the opinion of our chamber, more knowledge of productivity is required by educators, and we believe that business and industry has experience in this field which would be useful to educators at all levels.

One of the acknowledged great citizens of the United States, the late President Theodore Roosevelt, very appropriately summarized this matter in these words:

> "We have no higher duty than to promote the efficiency of the individual. There is no surer road to the efficiency of the nation."

Accountability

The greatest problem for education today is that the public does not know what it wants from the educational system. Before accountability can be considered, educational objectives must be clearly stated and understood. Too often objectives are stated in such generalities as 'development potential'. There is general agreement on the importance of reading and arithmetic as primary skills students should acquire. The value of less basic subjects in many cases is open to question, as they delay mastery of essential subject material.

Once a statement of educational objectives has been clearly delineated it is recommended:

That cost benefit studies be undertaken to determine the efficient use of facilities, faculty, and administration, within the educational and training institutions.

Evaluation

Evaluation is the missing link in the educational system. In business the consumer is the evaluator. If a product is properly designed, it will sell profitably. If not, the public utlimately rejects it, despite sophisticated advertising and sales promotion. In government the Court evaluates legislation. There is no such function operative in Education and as a result resources are not being utilized as effectively as they might otherwise be.

The evaluating element in a social economic system provides corrective feedback, to the point where improvement can be assured. Feedback is imperative if the system is to operate effectively and economically. Those who plan and implement cannot also perform the evaluation role, just as Parliament is not allowed to pass judgement on the constitutionality of its own laws.

The Chamber believes that significant economics and improvements could be achieved if, by legislation, an Education Evaluation Council could be created. An Evaluation Council properly designed and constituted would, in due course, do much to preserve the good and eliminate the ineffective, and ensure proper evaluation of new courses.

Tenure of Office

This subject causes a great deal of consternation among businessmen largely because we cannot live with it, and we wonder whether education can afford it. Tenure means that it is almost impossible to remove a person from his position. The implications of such security are frightening. Tenure removes initiative. Why should an individual continue striving for improvement when he 'has it made'? There is no incentive left when a man is too secure in his position. We question the motives of any organization, professional or otherwise, which seeks such security. The exception to which we would accede is the judiciary and this for entirely different reasons.

In business we rely on competence to ensure tenure of office. A man who produces effectively guarantees his own security, but such effectiveness must continue if security is to carry on. This does not mean that a worker must remain at peak efficiency forever, but rather a reasonable degree of competency must be displayed over his working life. A marked drop in effectiveness over a long period due to lack of motivation can lead to dismissal.

We recommend that tenure of office be removed from all contracts between the teaching profession and their employers. A start has been made in this direction but we wish to encourage the eventual abolition of such terms.

Without tenure our professors will be self-motivated to maintain their qualifications. By their own initiative they will guard against a loss of effectiveness. In education as in business a person who works effectively guarantees his own security.

Removal of tenure does not place a burden on a professor. Rather, it helps to create a healthy atmosphere because competence brought about by individual effort leads to a state of well being. Thus, we all stand to gain because that which benefits students, professors and the educational system also benefits the entire community.

Merit Rating for Teachers' Payment

We understand considerable discussion has taken place with regard to establishing a merit rating plan for teachers' remuneration. We trust the delay in implementation is due to the unsuitability of the plans. If so, we recommend that a serious effort be made to develop plans which can be generally accepted by Boards of Trustees and Teachers.

There are many advantages to merit rating plans and in our view the advantages outweigh the disadvantages. Under the present system of seniority payments the exceptional teacher does not receive compensation for outstanding ability. On the other hand, the mediocre teacher can be paid for just turning up each day. This system puts both good and bad teachers on the same level to the detriment of the good teacher.

A suitably developed merit rating scheme compensates the above average teacher and encourages such a teacher to maintain a high teaching standard. The seniority system on the other hand tends to discourage good teachers from improving or even maintaining their standards.

A merit rating scheme would encourage average or below average teachers to improve their abilities because there is an obvious reward provided for such effort. Such plans would also attract good teachers to those systems where appropriate plans are in effect. It would be obvious to a good teacher that his efforts or abilities would be recognized in a tangible manner. Good teachers already in Alberta would be thus encouraged to stay rather than to seek greener pastures.

The method of evaluating a teacher is, of course, the key to the effectiveness of merit rating. However, because teaching is different from commerce we do not wish to make any explicit recommendations in this regard. In commerce we have our own methods of arriving at adequate evaluations of employees in order to justify salary increases. It is possible that some of our methods could be usefully incorporated into a teachers' merit scheme. If so, we would be pleased to offer our assistance.

Supplementary Income (moonlighting) in our Universities and Other Post-Secondary Institutions

The concept of allowing (the Universities do allow it) professors to do outside consulting work was partly instituted in order to supplement their relatively low salaries. However, generally speaking, University professors are now paid as well as comparable individuals in industry. In effect, a supplemental concept, except in very specialized circumstances is no longer justified. However, the University professors do have a strong point in that they are able to provide certain specialized services not available within industry or elsewhere, and this point certainly has merit.

On the basis of the described arguments, we would suggest that our position would be as follows:

1. University professors must carry a defined work load with appropriate compensation. Outside endeavours must not infringe on defined workload.

2. The right to participate as a consultant should be by agreement with the University and the division of such additional revenues should be equitable to both the University and the staff member.

3. The professor should not be allowed to charge out any of the endeavours of the students the university supplies unless the university and students are properly compensated for approved projects.

Post-Secondary Tuition Fees

At the present time about 15% of the operating requirements of Alberta Universities are provided by tuition fees received from students, the balance being supplied from tax revenues of the Province.

In our view this is an unsatisfactory division of the costs. We believe that a post-secondary student should be required to pay a higher percentage of the costs of his post-secondary education. Without the benefit of any serious research on the matter, we recommend that a survey be conducted which would arrive at a reasonable division of costs.

If this were to take place, it would seem to us there would be a greater awareness of expenditures.

In order that increased tuition fees would not be an obstacle to the education of those who genuinely wish and ought to go to university, some form of increased student loan system should be devised. While a relatively modest interest rate should be charged on such loans the repayment should come from future earnings and extend over a lengthy period of years.

Numerous studies exist to indicate that on the average university graduates earn higher income than non-university persons. If this is so, it seems reasonable to expect University graduates to be willing to repay loans out of future earnings, which earnings have been enhanced by their university experience.

It is usually pointed out by those who oppose an increase in university fees that the higher incomes of university graduates result in higher income taxes, which taxes enable governments to provide university facilities. While this is no doubt true, there is little direct correlation between the incomes of graduates and the costs of the universities. The present system of permitting a student to deduct from his income for tax purposes the fees paid for education is, in our view, a sensible arrangement which should be preserved. This simply means that instead of paying tax on income with the tax devoted to education, higher fees are paid to the universities, income reduced by the fees paid, and there is a more direct relationship between a graduate's income and the financing of the universities than is presently the case.

This proposal may very well be a desirable deterrent to those whose attendance or enrollment at universities is questionable for a variety of reasons. There is growing concern that some post-secondary students are burdening taxpayers with their costs with actually no future useful purpose in mind.

In summary, we think expenditures are best made when the person enjoying such benefit is required to pay for the cost of that benefit.

While the foregoing remarks refers specifically to Universities, the Chamber believes that the same conditions should apply to all post-secondary institutions. Regardless of whether a student attends a community college, a vocational school or university, he should personally bear a reasonable proportion of the cost of his education.

Financial Assistance and Grants at Universities

It has come to our attention that there have been abuses of financial assistance and grants available to students at the universities.

We are concerned that those students who are abusing the available assistance are drawing funds which may otherwise go to more needy students. We would suggest that some means be determined whereby more careful checks and controls be exercised in the granting of funds.

We believe the highest priority in assistance should be assigned to the students who have the intellectual ability to thrive at university and who lack the financial resources necessary for their studies.

Responsibility for Financing School Costs

We are much concerned with the fact that school boards are mainly spending organizations and are not directly responsible for raising the money they spend. Because of the legislation under which schools operate, many municipalities have no discretion on the Foundation Plan portion of the requirements of the school boards, and experience has shown that these municipalities can do very little about the size of supplementary requisitions which the school boards present each year. In some cases these requisitions represent as much as 35% of total municipal expenditures.

One is bound to inquire, in these circumstances, if the segregation of school and municipality is a valid concept today. No doubt events in the past led quite properly to this division, but in the current situation we feel entitled to inquire as to whether the existence of the school boards as entities separate and distinct from the municipality is an organizational arrangement which permits the citizens as a whole to govern their affairs in such a manner as to achieve the proper mix of desirable objectives in the most efficient and least costly manner.

The County Act provides a method of municipal administration whereby the school systems are brought under the control of the municipality. Until that happens, the municipality is unable to judge the relative importance of education as compared with other programs of municipal administration, such as parks and recreation, protection to persons and property, welfare and so on. The municipality is in the situation of having two masters in its house, and now may be the time to inquire as to whether this dichotomy ought to persist or to be terminated.

We recommend that school board finances, particularly in the urban centres, be placed under the control of the municipal authorities.

Hidden Costs

All municipalities provide their school systems with a variety of services including fire protection, police protection and the like. At present these are not charged against the school systems, presumably because such charges would merely return to the municipalities as an increase in the annual supplementary requisition of the school systems.

Another item of hidden cost is the portion of teachers' pensions paid by the province. This portion is paid out of general revenues of the province and does not appear in school operating cost statements in spite of the fact it represents a considerable item of cost.

For their part, the municipalities, providing as they do the various services required by the schools, do not identify these costs as a contribution to the cost of education. Thus the accounts of municipalities and schools are less informative than they ought to be because of the failure to record the cost of services provided by the municipalities to the school systems.

The Chamber recommends that in order to determine the true costs of education, such costs be charged to the school systems so that they might incorporate these costs into their accounts.

Decentralization and Efficiency

Is it possible to decentralize and to be efficient? If these two concepts are not always compatible then it is necessary to consider the cost benefit approach in relation to any recommendations or requests with respect to educational development within the community.

It is not always possible nor expedient to be rational in considerations of this nature where any type of activity may help the economy of a local area. It then depends on whether those in charge wish to act as statesmen or politicians. In situations of this kind, in a country as young as Canada, it is generally politically expedient to disregard cost to the taxpayer, after all, the burden is not confined to the local residents although the benefits may be.

We would hope to see more detailed evaluation of the question of decentralization vs. centralization completed by outside consultants. The results of this study would be of major significance to future developments in the larger urban areas.

Communication Between Business/Industry and the Teaching Community

These two segments of society have a great need to develop lines of cummunication. The business group is expected to provide employment for a large percentage of the products of the teaching community. In order that the transition for the student from the school to employment is positive, rewarding and satisfactory to all, there must be an effective dialogue between teachers and employers.

When both sectors are aware of the need and endeavour to develop such lines of communication this problem will be quickly resolved. The first achievement will be the development of an atmosphere of mutual trust directed towards achievement of the greatest good for the community at large.

The initiative for this program must be encouraged from both sectors. We invite teachers to call upon the Chambers for resources people for either classrooms or discussions on course material for subjects of mutual interest.

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